

Settlement Agreement -- Exhibit A2

Use of Retained HM Liquid Assets (Updated as of 6/16/03) (000 omitted)

HM Assets (includes land held for sale)	199,000
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Ongoing Liabilities

PBGC	(55,000)	
Management Retention	(4,800)	
Pres/CEO	(5,300)	
Life Insurance	(5,200)	
Non Qualified Retirement	(22,400)	
Retired CEO	(500)	
Management Incentive	(1,000)	
Wefare Benefit Plan	(1,300)	
	(95,500)	103,500

Retained Businesses

Capital Requirements	(17,600)	
VNA Medicare Settlement	(2,200)	
Working Capital/ Operations	(9,200)	
	(29,000)	74,500

HM Transition/Wind Down Obligations

Relocation of Tenants	(3,600)	
Maintenance / Security / Utilities, etc.	(2,800)	
Personnel	(5,200)	
Benefits	(1,000)	
Occupancy	(500)	
IT/ Consulting/ Audit / Tax	(1,700)	
Legal / Pension / APA	(3,000)	
Insurance	(3,000)	
	(20,800)	53,700

Indemnity / General Reserve

Indemnity / General Reserve	(19,000)	
	(19,000)	34,700